

very intermittent, calling for full output in summer and very little in winter ; but it was necessary to keep large staffs in existence through the long slack season not only for the purposes of skilled manufacture, but to retain the services of men acquainted with the firms' customers and methods of distribution. There had also been competition of one firm with the other all over the wide-spread city. On forming the combination they at once made a territorial division, giving a particular district to each firm, and thus lessening the expenses of labourers' time, of teams and wagons, of the rent of buildings, and of accountants, commercial travellers, &c. They were also enabled to purchase their materials in larger quantities, and to save in the delivery of orders from the nearest plant. Moreover, they were enabled by their unity to meet the question of overproduction and regulate the supply to the demand. This combination, so much more like those of the United States than the ordinary "pool" generally found on the Continent, assumed also the American form of a single corporation. There is a local combination of a similar kind among eleven brewers of Vienna. They, too, have divided the city into districts to lessen competition, and by agreement cut off supplies from publicans who do not settle accounts promptly. If one seller of beer does not pay his dues to any firm in the pool the others will not sell to him.

The large combinations which most attract attention in Austro-Hungary are pools—that is, have agreements as to output and as to selling prices. Chief of these we may mention the general iron combination. The agreement relates to the avoidance of competition among members in relation to the production and disposal of roll-bar iron, structural beams and U iron, heavy sheets, and railroad small material. Each establishment restricts itself to its natural territorial market, with a uniform mode of doing business. The agreement provides for a certain percentual quota of the 'home market being assigned to each member, and this is separately fixed for each of the items above mentioned, because each member's establishment produces only certain kinds of products. Products exported directly to foreign countries, or supplied to manufacturing establishments (such as of locomotives) to be worked up for export, are not included in the agreement, nor are products used for the needs of the producing establishment itself. The contracts of agreement are for ten years each. The output of each quality of goods produced is notified every ten days by each member to a central office, known as the "evidence bureau," in Vienna, stating the place of shipment and the price of the goods sold. Every month the evidence bureau compiles a report showing whether any establishment has sold more or less than its due amount on the basis of percentage allowed by the agreement, and each member thus knows if he should extend or contract his sales. Fines are inflicted for neglect to supply reports, and a special committee decides questions of appeal. The combination elects two of its members annually to superintend the work of the evidence bureau and see that the agreement is carried out. The shares are transferable within the combination, and a bond (proportionate to amount of output) is deposited by each member as security that he will observe the agreement. Each member sells his own product independently, and, as his amount of production is limited by the agreement, naturally endeavours to get the best prices he can for his commodities.

Sometimes in addition to the larger agreement there is a minor pool, in which three or four of the members contract to have a common selling bureau, so there may be agreements within agreements.

The Sugar Trust was first commenced to be formed in Hungary in 1890. It embraced all the large sugar-refiners in Austria and Hungary, and was created to take full advantage of high protective duties. Sugar, which in October, 1891, had as margin (between the duty upon raw sugar and the free refined sugar) 4 florins 45 kreutzer, rose in October, 1892, to 8 florins 75 kreutzer, and in January, 1894, to 10 florins 5 kreutzer. Much of this rise was due to limitation of output and agreement as to prices. After this very profitable period the price of raw sugar abroad fell considerably, and the large dividends of the members of the combination produced competition and the growth of independent refineries. The inducement to individual action was strong, and the combination dissolved, the margin falling in September, 1895, to 4 florins. A new agreement was made in October, 1895, and this, which exists at present, includes both refiners and manufacturers of raw sugar. The system is nearly as follows: After fixing the total amount of sugar probably needed for Austria for the year, the amount of raw sugar to be taken from each manufacturer and the percentage of refining for each sugar-refiner is determined. The manufacturer is to receive for his raw sugar the best price he can command in the market, but in case he receives less than 15 florins for each meter-centner he is paid from a fund raised among the refiners the balance up to that amount, but if he obtains more than 15 florins he may retain the money. The manufacturer of raw sugar may not become a refiner, nor sell to any one outside the combination. The refiners guarantee the 15 florins so as to keep refining to themselves, and can thus fix the refining price so high as to assure profit.

Other combinations of importance are those dealing with wire and wire tacks, enamelled ware, glass bottles, petroleum, soda, coffee, sugar of lead, wood paste-board, pack-thread, syrup, and grape-sugar.

In Austria, as in Germany, the reason given for the preference for the pool over the single corporation is that their members dislike the publicity demanded by the latter. A corporation such as the soda-water combination above mentioned had to supply to the Government on organization particulars as to its proposed articles of association, minutes of its founding meeting, expenses of founding, reasons for combination, contract of sale of each establishment to new corporation, expenditures and incomes (with net profits of each), list of properties, inventory of property of each, petition to Government for incorporation, &c. Some establishments would naturally dislike to give such particulars of their business, however necessary for the public weal. Moreover, corporations are taxed very much higher than single firms, and cannot evade taxes as private dealers can.